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UNITED STATES DISTRICT COURT  
EASTERN DISTRICT OF PENNSYLVANIA

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SECURITIES AND EXCHANGE  
COMMISSION,

Plaintiff,

v.

TASTY FRIES, INC., EDWARD C. KELLY, and  
LOUIS M. KELLY,

Defendants.

072857  
No. \_\_\_\_ - \_\_\_\_ ( )

FILED

JUL 18 2007  
MICHAEL E. KUNZ, Clerk  
By: [Signature] Dep. Clerk

**FINAL JUDGMENT AS TO DEFENDANT TASTY FRIES, INC.**

The Securities and Exchange Commission ("Commission") having filed a Complaint and Defendant Tasty Fries, Inc. ("Tasty Fries") having entered a general appearance; consented to the Court's jurisdiction over Tasty Fries and the subject matter of this action; consented to entry of this Final Judgment without admitting or denying the allegations of the Complaint (except as to jurisdiction); waived findings of fact and conclusions of law; and waived any right to appeal from this Final Judgment:

**I.**

IT IS HEREBY ORDERED, ADJUDGED, AND DECREED that Tasty Fries and its agents, servants, employees, attorneys, and all persons in active concert or participation with them who receive actual notice of this Final Judgment by personal service or otherwise are permanently restrained and enjoined from violating, directly or indirectly, Section 10(b) of the Securities Exchange Act of 1934 (the "Exchange Act") [15 U.S.C. § 78j(b)] and Rule 10b-5 promulgated thereunder [17 C.F.R. § 240.10b-5], by

using any means or instrumentality of interstate commerce, or of the mails, or of any facility of any national securities exchange, in connection with the purchase or sale of any security:

- (a) to employ any device, scheme, or artifice to defraud;
- (b) to make any untrue statement of a material fact or to omit to state a material fact necessary in order to make the statements made, in the light of the circumstances under which they were made, not misleading; or
- (c) to engage in any act, practice, or course of business which operates or would operate as a fraud or deceit upon any person.

## II.

IT IS HEREBY FURTHER ORDERED, ADJUDGED, AND DECREED that Tasty Fries and its agents, servants, employees, attorneys, and all persons in active concert or participation with them who receive actual notice of this Final Judgment by personal service or otherwise are permanently restrained and enjoined from violating Section 17(a) of the Securities Act of 1933 (“Securities Act”) [15 U.S.C. § 77q(a)] in the offer or sale of any security by the use of any means or instruments of transportation or communication in interstate commerce or by use of the mails, directly or indirectly:

- (a) to employ any device, scheme, or artifice to defraud;
- (b) to obtain money or property by means of any untrue statement of a material fact or any omission of a material fact necessary in order to make the statements made, in light of the circumstances under which they were made, not misleading; or

- (c) to engage in any transaction, practice, or course of business which operates or would operate as a fraud or deceit upon the purchaser.

### III.

IT IS HEREBY FURTHER ORDERED, ADJUDGED, AND DECREED that Tasty Fries and its agents, servants, employees, attorneys, and all persons in active concert or participation with them who receive actual notice of this Final Judgment by personal service or otherwise are permanently restrained and enjoined from violating Section 5 of the Securities Act [15 U.S.C. § 77e] by, directly or indirectly, in the absence of any applicable exemption:

- (a) Unless a registration statement is in effect as to a security, making use of any means or instruments of transportation or communication in interstate commerce or of the mails to sell such security through the use or medium of any prospectus or otherwise;
- (b) Unless a registration statement is in effect as to a security, carrying or causing to be carried through the mails or in interstate commerce, by any means or instruments of transportation, any such security for the purpose of sale or for delivery after sale; or
- (c) Making use of any means or instruments of transportation or communication in interstate commerce or of the mails to offer to sell or offer to buy through the use or medium of any prospectus or otherwise any security, unless a registration statement has been filed with the Commission as to such security, or while the registration statement is the subject of a refusal order or stop

order or (prior to the effective date of the registration statement) any public proceeding or examination under Section 8 of the Securities Act [15 U.S.C. § 77h].

#### **IV.**

IT IS HEREBY FURTHER ORDERED, ADJUDGED, AND DECREED that Tasty Fries and its agents, servants, employees, attorneys, and all persons in active concert or participation with them who receive actual notice of this Final Judgment by personal service or otherwise are permanently restrained and enjoined from violating Section 15(d) of the Exchange Act and Rules 15d-1, 15d-11, 15d-13, and 12b-20 thereunder [15 U.S.C. § 78o(d) and 17 C.F.R. §§ 240.15d-1, 240.15d-11, 240.15d-13, and 240.12b-20], by filing with the Commission periodic reports that are inaccurate and/or misleading or by failing to file with the Commission required annual, quarterly and current reports.

#### **V.**

IT IS HEREBY FURTHER ORDERED, ADJUDGED, AND DECREED that Tasty Fries and its agents, servants, employees, attorneys, and all persons in active concert or participation with them who receive actual notice of this Final Judgment by personal service or otherwise are permanently restrained and enjoined from violating Section 13(b)(2)(A) of the Exchange Act [15 U.S.C. § 78m(b)(2)(A)] by failing to make and keep books, records, and accounts which, in reasonable detail, accurately and fairly reflect Tasty Fries' transactions and dispositions of Tasty Fries' assets.

## **VI.**

IT IS HEREBY FURTHER ORDERED, ADJUDGED, AND DECREED that Tasty Fries and its agents, servants, employees, attorneys, and all persons in active concert or participation with them who receive actual notice of this Final Judgment by personal service or otherwise are permanently restrained and enjoined from violating Section 13(b)(2)(B) of the Exchange Act [15 U.S.C. § 78m(b)(2)(B)] by failing to devise and maintain a system of internal accounting controls sufficient to provide reasonable assurances that Tasty Fries' transactions are recorded as necessary to permit preparation of financial statements in conformity with Generally Accepted Accounting Principles.

## **VII.**

IT IS HEREBY FURTHER ORDERED, ADJUDGED AND DECREED that Tasty Fries shall, within ten (10) days of the entry of this Judgment, shall prepare and send a letter to the transfer agent of Tasty Fries, Inc. instructing the transfer agent to cancel certificate numbers T. 2492, T. 2821, T. 2909, T. 2931, T. 3018, T. 3062, T. 3134, T. 3171, T. 3172, T. 3209, T. 3261, T. 3265, T. 3287, T. 3351, T. 3403, T. 3412, T. 3415, T. 3511, which consist of 3,115,165 shares of Tasty Fries common stock currently held in Edward Kelly's name. Simultaneously with sending the instructions to the transfer agent, Tasty Fries shall send a copy of the transfer agent instruction letter to Kingdon Kase, Senior Trial Counsel, Securities and Exchange Commission, Mellon Independence Center, 701 Market Street, Suite 2000, Philadelphia, PA 19106.

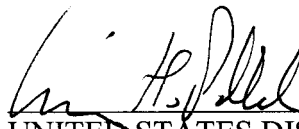
**VIII.**

IT IS FURTHER ORDERED, ADJUDGED, AND DECREED that the Consent of Tasty Fries is incorporated herein with the same force and effect as if fully set forth herein, and that Tasty Fries shall comply with all of the undertakings and agreements set forth therein.

**IX.**

IT IS FURTHER ORDERED, ADJUDGED, AND DECREED that this Court shall retain jurisdiction of this matter for the purposes of enforcing the terms of this Final Judgment.

Dated: July 17, 2007

  
UNITED STATES DISTRICT JUDGE

7/18/07 E-mail